

Transnationals

Annual Meeting . . .

PRIVATIZATION THROUGH FOREIGN INVESTMENT

The United Nations should assist privatization efforts by encouraging greater foreign direct investment flows to developing countries and the economies in transition, urged the Commission on Transnational Corporations at its annual meeting in New York in April.

"One of the central tasks over the next few years is to create a network of institutions, agencies and mechanisms that would support the functioning of markets, mobilize human resources and encourage entrepreneurial activities", stated Hamdan BenAissa, Director of the Transnational Corporations and Management Division. "The restructuring of public administration systems, the development of capital markets and the modernization of the banking sector are additional steps." The Commission requested an enhancement of technical cooperation activities so as to contribute to the implementation of privatization programmes.

In associating with those goals, United States representative Edward Marx said "we believe that ultimately such a work programme will assist all Members to develop and refine economic policies so as to stimulate growth, and facilitate the creation and exchange of goods, services and innovative techniques in our economies".

On global policy, the Commission stressed the importance of transparency in the area of foreign direct investment and requested TCMD to contribute towards increasing that transparency in the framework of its technical assistance and information activities. "Improved transparency of international policies strikes me as not only sensible but absolutely necessary", observed Sylvia Ostry, Expert Adviser to the Commission and Chairman of the Centre for International Studies, Toronto. "In an age in which countries are actively competing for foreign investment, it is imperative that we have a system by which to inform one another of our policies and practices. This would clearly benefit both home and host countries and would also provide a more rational environment for decision-making by transnational corporations as well as Governments."

International standards of accounting and reporting contributed towards greater transparency in the activities of transnational corporations, affirmed the Commission. ■



Ambassador Farooq Sobhan, Chairman of the Commission on Transnational Corporations.

China as Outward Investor

Little known, but China has about 1,700 affiliates overseas and about \$4.5 billion of foreign investment in over 100 countries. Many are subsidiaries of state enterprises who have quickly learned the ropes in competitive, capitalist markets. The key motive, say Chinese managers, is the desire for market information and a niche in overseas markets.

About a half of Chinese affiliates overseas are trading firms. The other 900 are in areas as diverse as resource development, banking and insurance, transportation and restaurants, and nearly a half are located in Hong Kong. The United States is another major destination. But investments are primarily within the region, going to Thailand, Singapore, Malaysia, Australia, Japan and Russia.

Eighty per cent of all investments are in the form of joint ventures. Twenty per cent are wholly Chinese-owned, and are restaurants primarily.

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PAKISTAN INVESTMENT
ROUNDTABLE, P. 4

Inducing Companies to Share Sound Technologies

If productive activities are to incorporate environmental protection, new production processes and technologies must be developed and put into wide use. Transnationals are the leading source of innovative, environmentally sound technologies. Encouraging them to share these with others, on terms that are affordable, will be a basic element of the global shift to environmentally sustainable growth.

Among the variety of inducements for companies to share environmentally sound technologies are:

Off-set investments that allow firms to remedy environmental damage in one country by cheaper countervailing measures in another. For example, Finland, Norway and Sweden will invest about \$750 million to modernize two nickel smelters near Murmansk in northern Russia. The objective is to reduce sulphur dioxide emissions over northern Scandinavia from 250,000 tons per year to about 30,000. Russia will benefit through the modernization of its industrial base.

Tradeable pollution permits that fix global emissions limits for countries or industrial sectors. Unused emissions rights could be sold or traded, thus allowing the market to find the best way to achieve emission targets. Developing countries, most likely to be below the quota, could use sales revenues to buy sound technologies or reduce emissions. A system of permits is already in use in the United States.

Reduced import tariffs on sound technologies, goods and equipment; **tax breaks** for the use of "green" technologies; and more **flexible repatriation limits** for

income made from these technologies could provide firms with the necessary financial break to enable investments in more costly, green technologies in developing countries. They might also reduce the costs to local business of importing these technologies, as well as strengthening environmentally sound technology markets overall.

Developing countries could use sales revenues from tradeable pollution permits to buy sound technologies or reduce emissions.

Higher tariffs or taxes on polluting products or technologies would force firms to seek technologies that meet environmental standards or pay an extra charge for falling below them. The revenues collected could be used to subsidize the acquisition of environmentally safe technologies.

Purchase guarantees. Bilateral, multilateral or regional funding agencies could underwrite developing country purchases of sound technology. Guarantees might cover purchases by either Governments or businesses. A protective clause in the legal agreement could guard against misuse.

An international technology bank, funded by country pledges, could acquire the rights to innovative green technologies so as to make them easily available to developing countries. Training programmes would aid absorption. The bank would also provide a complete listing of green technologies, including those developed by small and medium-sized firms.

An international centre to settle investment disputes could curb restrictive business practices that block developing country access to sound technologies, such as restrictive licensing arrangements and prohibitively high prices. As with the GATT panels in

Factors Cited by Transnationals that Discourage Green Technology Transfer

- Green technology markets are too small in developing countries
- Developing countries are unwilling to pay the extra costs associated with cleaner production
- Environmental laws in developing countries do not require environmentally sound technology
- Developing countries lack adequate infrastructure and trained personnel for complex technologies
- Transnationals are at a disadvantage if national firms are not also expected to use sound technologies
- Research and development costs may not be recovered if patent rights for technologies are given away

Bulk purchase agreements. Developing countries could, on a regional basis, contract with transnationals to buy environmentally sound plant or technology wholesale. While guaranteeing firms a market, countries assure a reasonable price.

the area of unfair trade practices, a Government or firm could appeal the price of a technology if it seems to be determined by monopolistic market conditions.

Development assistance programmes could also provide addi-

tional impetus to green technology transfers. Among the options outlined are the expansion of multilateral bank assistance for projects using sound technologies; purchasing standards for multilateral banks and international organizations and a greater role for transnationals in green aid programmes.

Off-set Investments

The Electricity Generating Board of the Netherlands is building two new power generating plants. To offset the resulting carbon dioxide emissions, it will afforest 250,000 hectares of land in Latin America at a cost of \$1,750 per hectare. In the Netherlands, the corresponding cost per hectare would be \$22,500.

Combining Options

The proposed measures might be used individually or in a mix, depending on the objectives to be met. In many countries taxes and tariffs are a prime source of governmental revenue, for instance. Reducing them could have marked consequences on the provision of public services or on national investment in other sectors. Lower tariffs and less restriction on income repatriation could mean politically difficult reversals or adjustments to high tariff, import-substituting policies or national foreign currency conservation measures.

The project on sound technologies, undertaken at the request of the United Nations Commission on Transnational Corporations, is funded by the Government of Sweden and the Rockefeller Foundation. Papers were presented to the United Nations Conference on Environment and Development. ■

Investment Hearings

The United States, long the world's largest foreign investor, has over the last few years also become its largest host. Meanwhile the nature of foreign direct investment has changed, as has its role in global relations. The country is re-examining the issues.



Lee Hamilton

On 13 May 1992, the Joint Economic Committee of the United States Congress convened a special hearing on foreign direct investment at the initiative of its Vice-Chairman, Congressman Lee Hamilton of Illinois. Explained Richard Kaufman, General Counsel, "Struck by the rapid growth in foreign direct investment worldwide, the Committee wanted to examine new trends, hear experts explain the underlying factors and what the consequences might be for world trade and other economic activity, and the significance for American economic policy". Congressman Hamilton, a ranking Democrat, chaired the hearing. He is a key member of the House Foreign Affairs Committee with important functions in the making of United States foreign economic policy.

Testifying at the hearings, John Kline, Professor of International Business Diplomacy at Georgetown University, stressed that "in

today's economy, competitiveness signifies more than can be represented by traditional national trade statistics. Research suggests that if the competitiveness of United States companies is calculated to include the foreign sales of affiliated enterprises, the positive impact would be around \$100 billion — or essentially enough to wipe out the United States trade deficit".

Karl P. Sauvart, who heads research and policy analysis in the United Nations Transnational Corporations and Management Division, concurred. "Direct production by transnational companies is by far a more important means of serving overseas markets than trade, a fact not usually brought out in bilateral and multilateral economic policy discussions".

Transnational firms' investments worldwide are now more than a trillion and a half dollars. Trade has begun to flow to and from these production sites, testi-

United States companies generate enough foreign sales to wipe out the United States trade deficit.

fying experts explained, altering earlier patterns and transforming foreign investment's erstwhile subservient relationship to trade.

Need For a New Framework

A new conceptual framework is necessary to design the optimal policies on foreign direct investment, trade and growth, and to set up the appropriate regulatory mechanisms, they said.

(Continued on page 7)

Pakistan Sets \$2 Billion Target for Annual Investment Inflows

Promotion Effort to Target East Asian Investors

The 1990s are witnessing an intense global competition for foreign direct investment, in which Pakistan is seeking to play and win.

"Given its strategic location, Pakistan can be the gateway to an emerging economic region", said Sardar Assef Ahmad Ali, Pakistan's Minister of State for Economic Affairs, to an investment roundtable in Islamabad, 28-30 April 1992. Located between

bilities for collaboration in a variety of sectors.

Despite its strategic location and close political and cultural links with the Middle East, foreign direct investment flows to Pakistan remain low. Arab investors have generally preferred safe havens and investment in rent-seeking activities. And while Japan and the newly industrializing economies are now the main source of foreign equity capital in



Left to right: Mian Mumtaz Abdullah, Chairman, Corporate Law Authority; Sartaj Aziz, Pakistan's Minister of Finance; Hamdan Ben-Aissa, TCMD.

the oil rich regions of West Asia and the emerging economies of Central Asia, Pakistan, he explained, also offers access to Turkey and Iran through its membership in the Economic Cooperation Organization.

Pakistan could be the primary entrepot for trade with the Central Asian republics, he said. Efforts are already underway to develop communications links with the republics. Among these are a highway from Karachi, giving the republics direct access to the sea, and a rail link. The Government is also actively exploring the possi-

Asia, only a handful of countries — including China, Indonesia, Malaysia, Singapore and Thailand — have benefited, receiving flows of \$2 billion or above.

In this context, the roundtable in Islamabad took a close look at how Pakistan could attract greater investment from Japan and the other East Asian economies by better understanding the requirements of potential investors. It drew particularly on the experiences of South-East Asian countries, successful in attracting investment from these big regional investors. At the same time, it was intended



Khalid Rafi, President, Management Association of Pakistan.

to inform East Asian investors about new business opportunities in Pakistan in light of the changed geopolitical situation and liberalized national investment policies.

Investment experts from China, Indonesia, Malaysia, the Philippines, the Republic of Korea, Singapore,



Zahid Zaheer, Secretary-General, Overseas Chamber of Commerce and Industry, Pakistan.

Sri Lanka and Thailand provided a number of interesting insights, as did the Pakistani private sector.

Liberalized Policies Not Enough

Sartaj Aziz, Pakistan's Minister of Finance, highlighted the coun-

World Investment Report 1992

Transnational Corporations as Engines of Growth



By the end of the 1980s, foreign direct investment had become the principal source of private foreign capital to developing countries. Transnationals account for the majority of goods and services sold overseas, along with most of the world's international technology flows. More and more,

developing countries will have to look to transnationals to supply them with the capital, trade, technology and managerial know-how needed for growth in today's increasingly integrated world economy. *World Investment Report 1992: Transnational Corporations as Engines of Growth* analyses the role of transnationals in the economic growth of developing countries, along with in-depth analysis of recent trends in the area of foreign direct investment. A special section on policies looks at the world economy from a foreign direct investment perspective, covering issues which are of increasing concern in today's integrated economy.

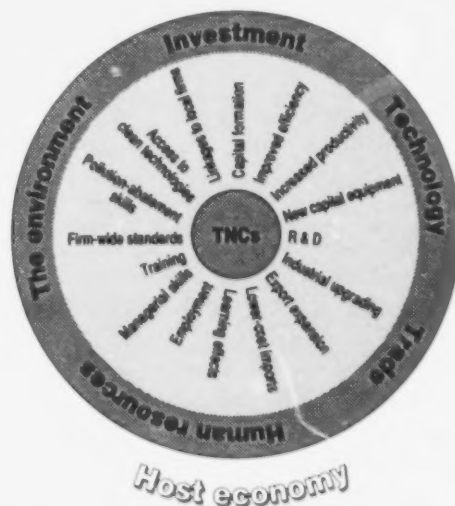
The report is a unique reference for policy makers, researchers and corporate managers concerned with the major trends in the world economy and the role of global corporations in shaping those trends. Highlighted in this year's report are:

- Latest statistics on foreign direct investment outflows, which totalled \$225 billion in 1990, including regional and sectoral breakdowns, and current trends in national and international policy. Statistical annexes.

- Analysis of how companies are shaping current trends in regional economic integration — with a special look at the European Economic Area and the North American Free Trade Area.

- Comparison of foreign direct investment flows with other economic measures, including investment, output, trade and capital flows.

- A section on the role of transnationals in the growth of developing countries,



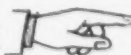
presenting extensive data as well as case studies, with chapters dealing separately with the contribution of foreign companies to growth through the following channels:

- Investment
- Technological capabilities
- International trade
- Human resource development and managerial skills
- Environmental sustainability

- A look at trends which are shaping a new world economy, increasingly characterized by international production, and prospects for economic growth in light of these changes

- A policy section which looks at international economic relations from a foreign direct investment perspective, covering new policy areas such as investment-related trade measures, strategic foreign direct investment policies, and international governance issues.

To order, see reverse



World Investment Report 1992

Transnationals Corporations as Engines of Growth

World Investment Report 1992 is the second in an annual series of reports, designed to present up-to-date, comprehensive information about foreign direct investment and transnationals, as well as an in-depth focus on a theme relating to the activities of transnationals. It is a unique source of information and analysis on what is an increasingly critical factor in the world economy. *World Investment Report 1991: The Triad in Foreign Direct Investment*, praised by *The Economist* and *The Financial Times*, which said that "its findings have important implications for national and international policymaking", looked at foreign direct investment in the Triad — Japan, the European Community and the United States — and the developing countries they invest in.

"The questions being raised in the *World Investment Report 1992*, especially about development, are exactly the ones that economists should be trying to answer. It documents the large and growing role of transnational corporations as a vehicle for the international transfer of production methods, human capital, organizational techniques and the like, placing special emphasis on the opportunities and challenges facing developing countries. Anyone who wants to be informed about investment, trade, growth and development needs to learn the *Report's* lessons."

Paul Romer
Professor of Economics
University of California at Berkeley

"The *World Investment Report 1992* is not only the most comprehensive and up-to-date source of data and analysis on the role of foreign direct investment in the world economy, it also lays out a challenging agenda for international action to ensure that transnational corporations can play their full role as engines of growth and integration of the world community."

DeAnne Julius
Chief Economist
Shell International Petroleum Company Limited

"The new *World Investment Report* is an impressive document, one that will be welcomed by all practitioners and researchers who are concerned with international investment. It has comprehensive and up-to-date information on investment trends and policies. More importantly, it has balanced, interesting and penetrating analyses of various aspects of the operations of transnational corporations in developing countries, including physical and human capital formation, technology, trade and the environment. It should be a crucial input into all discussions of the continuing acceleration of the 'globalization' of the world economy. Certainly, all policy makers in developing countries should read it carefully."

Sanjaya Lall
University Lecturer in Development Economics
Institute of Economics and Statistics
Oxford University

"This is an impressive piece of work and will remain a point of reference not only for academics but also for practitioners. Must reading."

Abraham Katz
President
United States Council for International Business

To order either *World Investment Report 1991: The Triad in Foreign Direct Investment* or *World Investment Report 1992: Transnational Corporations as Engines of Growth*, please fill out the attached order form.



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try's intention to move away from commercial bank borrowing and to rely more on foreign direct investment to finance and spur development. "The aim is to raise, within the next five to seven years, the current annual level of foreign direct investment inflows from about \$300 million to \$2 billion."

The Government has significantly liberalized trade, foreign exchange and foreign investment legislation.

In the last year, the Government has significantly liberalized trade, foreign exchange and foreign investment legislation, as part of a broader privatization and deregulation initiative. The changes have

investors as well. They include the geopolitical situation, investor perceptions of political stability and of a Government's effectiveness, the adequacy of human and physical infrastructure, labour-management relations, bureaucratic corruption and inefficiency, and the attitude to foreign investors.

Regional Cooperation Is Most Definitive Step

In Pakistan's case, geopolitics has been a serious disadvantage. Despite the high quality of Pakistani labour, the country's situation between two volatile and politically unstable subregions — South Asia and the Middle East — has discouraged investors. The Afghanistan problem is quickly moving towards a solution, but political problems in South Asia make the prospects for intensified economic cooperation in the sub-



**Amanullah Khan, President,
Islamabad Stock Exchange.**

tween their economic and foreign policies. For Pakistan, a vital first step must be the revitalization of the South Asian Agreement on Regional Cooperation process — involving India, Bangladesh, Sri Lanka, Nepal, Bhutan and Sikkhim. Regional cooperation would spur linkages with the dynamic East and South-East Asian economies, and help Pakistan benefit from the process

Regional cooperation would spur linkages with the dynamic East and South-East Asian economies.

of shifting comparative advantages in Asia. This was the main driving force behind growing Japanese investment in the newly industrializing economies, and now in the ASEAN.

Careful Look at New Options

Pakistan also needs to take a more targeted approach to attract the industries and investors that might more easily be induced to invest there. China's experience in attracting large volumes of FDI

(Continued on page 7)



Left to right: Orfelio V. Bulong, Philippine expert; S.M. Naseen, ESCAP; Hamdan BenAissa, Director, TCMD; Sardar Aseff Ahmad Ali, Pakistan's Minister of State for Economic Affairs.

produced short-term stabilization and visible progress on the road to structural reform.

Though important, fiscal and financial incentives are not by themselves a primary determinant of foreign direct investment flows, cautioned roundtable participants. Other factors influence

region painfully slow.

To attract more investment, Pakistan, and other South Asian countries, will need to incorporate longer-term economic objectives in making foreign policy. The East and South-East Asian economies, including China, have benefited from reducing the disjunction be-

China

(Continued from page 1)

By and large, investments are small. Developed countries receive three quarters of all Chinese foreign direct investment. Three firms have an equity value of over \$10 million each and together account for 40 per cent of all foreign investment. These are an iron-ore plant in Australia, a pulp factory in Canada and a fertilizer and chemical factory in Virginia, United States.

Contrasting with emerging world patterns, over a half of all Chinese overseas investments are in start-up companies. Only about 20 per cent of investments are acquisitions. For developed countries, acquisitions account for over 50 per cent. This, according to Dr.

Sinochem, the largest state-owned enterprise, recorded a turnover of \$35.4 billion in the last three years. It has 66 subsidiaries and 5,000 employees.

Luo Long, Executive Director, Multinationals Research Centre, Beijing "shows that Chinese corporations are green hands in overseas investment and not familiar with new and more effective forms of investment".

Rapid Take-off

The Joint Venture Law of 1979 reversed half a century of economic isolation, and opened China to foreign capital. Now, a little over 10 years later, the country is among the largest developing country recipients of foreign direct investment, with an inward stock of over \$18 billion in 1990. More remarkable it is also among the largest outward investors, with a significant rate of growth in both the number of overseas firms and outward investment flows.

Some Chinese state enterprises have grown into sizeable entities,

for example, Sinochem — the China National Chemicals Import and Export Corporation — the largest state-owned enterprise under the Chinese Ministry of Foreign Economic Relations and Trade. Tipped by the Government

in 1987 to build a "socialist" transnational, characterized by modern management, diversified global operations and a conglomerate structure, in the last three years it recorded a turnover of \$35.4 billion. Sinochem now has 66 subsidiaries and 5,000 employees. It has three affiliates in the United States, including an oil refinery in Texas, a fertilizer company, and a processing factory in Florida. New affiliates are being set up in Indonesia, the Republic of Korea, New Zealand and Australia, and a new operating centre for Europe will soon open in London.

Mirroring Early Western Models

The corporate structure and financing of these Chinese transnationals mirror those of Western ones in the 1960s and 1970s. Decision-making is still highly central-

ized in the parent firm. Industrial investments concentrate in primary resource extraction. Only a third are in manufacturing.

Chinese managers still lack the experience to run a modern transnational and a clear understanding of how it operates. The key problem is the lack of skilled personnel, competent staff in finance, accounting, law, marketing, R&D, public relations and information systems.

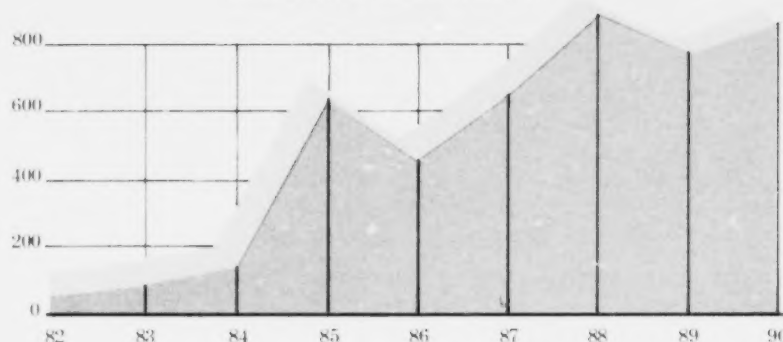
In March 1992, TCMD held a seminar for Chinese managers in Beijing on setting up and operating a modern transnational in the petrochemical sector. And, in an

Contrasting with emerging world patterns, over half of all Chinese overseas investments are in start-up companies.

ongoing programme of technical assistance, training workshops on new investment forms and organizational structures will be combined with study tours of more successful North American, European and Asian transnationals. TCMD is already assisting in the training of managers of local enterprises. ■

China's Foreign Direct Investment

(annual outflows, millions of dollars)



Investment Hearings

(Continued from page 3)

"The need for a code on international investments is evident from the increasing efforts to negotiate bilateral investment treaties and to insert investment-oriented



Karl P. Sauvant

clauses into regional trade agreements", said John Kline. It is heightened by the number of countries opening to foreign investment with no prior experience, and of new, start-up transnationals establishing operations abroad. "As major host countries also become major home countries, it could make an agreement easier on common investment principles that have a rough balance between home and host country concerns."

Debunking Myths

Mounting concerns about a Japanese investment takeover have led to calls for checks on incoming investors. "Limiting Japanese foreign direct investment activity could slow technological advances in United States manufacturing", warned Edward Ray, Professor at the University of Ohio and an expert on foreign direct investment into and out of the United States. Japan, by itself, accounted for half of all the foreign investment in new plant or production expansion activities in United States manufacturing over the 1980s, concentrated in the automobile and electronics sectors.

In contrast, plant expansion investments from Canada, the United Kingdom and the European Community, other major investors in the United States, concentrated in the processing of natural resource-based products, such as plastics, resins, petroleum refining, coal and paper. Japanese investment in new plant and plant expansion, said Professor Ray, seems, contrary to popular fears, to be transferring technology into the United States rather than out of it.

There are also fears that growing United States investments abroad might be creating unemployment at home. United States investments abroad have almost doubled in the last five years from \$260 billion to \$451 billion. "Most of the growth", said Steven Cooney, Director for International Investment and Finance, National Asso-

Contrary to popular fears, Japanese investment seems to be transferring technology into the United States rather than out of it.

ciation of Manufacturers, "is due to locally reinvested earnings or increases in investment valuations due to exchange rate fluctuations, not fresh outflows from the United States". Since 1987, new investments abroad have been about half the level of reinvested earnings. "In contrast, the growth in flows into the United States has come about primarily through fresh investment flows."

Similarly, foreign investment has produced an export boom in the United States. Over the 1980s, there has been a net gain of about 800,000 jobs in export-related areas. Over the same period, employment in foreign affiliates has fallen by 240,000 employees. ■

Pakistan

(Continued from page 5)

from overseas Chinese could be drawn on in designing incentives for Pakistani non-residents to invest at home. The Pakistani diaspora, it is estimated, owns liquid assets of about \$30 billion.

To build investor confidence, said roundtable participants, more activist state policies are needed in building human and physical infrastructure and domestic entre-



John Pott, International Finance Corporation representative, thought that export orientation should be a key element in Pakistan's foreign investment strategy.

preneurship. Facilities available to investors should be documented in detail, including infrastructure, the cost of labour and utilities, and so on. The Government will need to focus on establishing credibility, transparency and stability in economic and investment policies. Cabinet committees on investment and infrastructure were also suggested.

The roundtable was hosted by the Corporate Law Authority and cosponsored by the Transnational Corporations and Management Division of the United Nations, the Economic and Social Commission for Asia and the Pacific, and the United Nations Development Programme. ■

NEW PUBLICATIONS

The Trend to Bilateral Investment Treaties

With the latest global count at 440, the bilateral investment treaty — or BIT — has gained popularity among countries seeking to protect their investments abroad or to attract foreign capital. Over 200 new treaties were signed in the 1980s and 63 in 1990 and 1991 alone, according to a joint publication by the International Chamber of Commerce and the United Nations.

Legally binding on both parties, BITs spell out rights, obligations and rules of behaviour on essential issues for both foreign investors and host Governments. Less vulnerable to unilateral modification than foreign investment legislation, BIT provisions are intended to reinforce the protection standards afforded by host country laws. For capital importing countries, BITs are an instrument to attract investors by promising them stability and reliability.

Host countries agree to treat foreign investors equitably and to protect their property. Dispute settlement provisions allow for international arbitration in case of host country-investor conflict. Some treaties also touch on general operational conditions, such as the use of foreign personnel

or freedom in employment and labour issues.

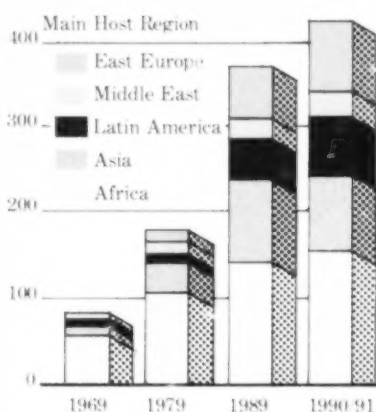
The transfer of payments provisions are among the most important. They ensure that investors are able to freely transfer

tion for losses due to armed conflict or internal disorder.

Germany, with a current total of 77 treaties, is by far the largest signatory. Switzerland has 51 treaties to its name, followed by the United Kingdom with 47, France with 45 and the Netherlands 32.

In the 1960s, most BITs were concluded with African countries. Then in the 1980s, the number of treaties with Asian and Eastern European countries tripled. Also, the greater willingness of Latin American countries to conclude BITs points to a lessening of the fears embodied in the Calvo doctrine, which holds national law to have more force than international law in dealing with foreign investors. ■

Bilateral Investment Treaties



their money abroad, while granting some measure of currency control to the host country. Also key are the standards for "prompt, adequate and effective" compensation in cases of expropriation. Most BITs also provide for compensa-

Bilateral Investment Treaties: 1959-1991. United Nations publication. Sales No. E.92.II.A.16. Contains a full listing of all BITs concluded up to mid-1991, and a brief overview of their main features. It should be especially useful to corporate executives planning foreign investments, foreign investment officials and policy makers. Copies may be obtained from the United Nations, Sales Section, New York or Geneva.

The Transnational Corporations and Management Division is one of eight Divisions in the United Nations Department of Economic and Social Development. Under the guidance of the Commission on Transnational Corporations, an intergovernmental subsidiary organ of the United Nations Economic and Social Council, TCMD seeks to further understanding of the nature of transnational corporations; to secure effective international agreements; and to strengthen the negotiating capacity of host countries, in particular the developing countries.

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